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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES ON NOVEMBER 10, 2011

Commission Chairman John D. Quackenbush called the meeting to order at 1:32 p.m.
Executive Secretary Mary Jo Kunkle called the roll and declared there was a quorum.

PRESENT

Commission: John D. Quackenbush, Chairman
Orjiakor N. Isiogu, Commissioner
Greg R. White, Commissioner

Staff: Sally Wallace
Judy Palnau
Mary Jo Kunkle
Catherine Bowers
Angie Butcher
Sharron Allen
Lisa Felice
Mignon Middlebrook

Public: Suzy Westmoreland, MEGA
Mary Stasek, Consumers Energy
Robin Gleason, AT&T
Kwafo Adarkwa, ITC Holdings Corp.
John Liskey, Attorney
Tim Hoffman, Consumers Energy

- I.** Chairman Quackenbush announced two amendments to the published agenda, Section IV A, Item #5, Case No. U-16858, the caption was changed to read motion to stay, Section IV B, Item #15, Case No. U-16564 was added, Commissioner Isiogu moved to approve the amended agenda, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The amended agenda was approved.

- II.** Commissioner Isiogu moved to approve the minutes of the Regular Commission Meeting of October 20, 2011 and the Special Commission Meeting of November 1, 2011, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The minutes were approved.

III. ORGANIZATIONAL MEETING

Chairman Quackenbush announced an Organizational Meeting as required by Article III, Section 2, Subparagraph A with the purpose to propose amendments to its By-Laws. No motion to amend the By-Laws was made to propose any changes to the MPSC's By-Laws.

Commissioner Isiogu moved to adjourn the Organizational Meeting and return to the Regular Commission Meeting, Commission White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The organizational meeting was adjourned.

IV. ORDERS

A. COMMUNICATIONS

1. U-16085 MICHIGAN ACCESS, INC.
(ETC application to modify)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves a request filed by Michigan Access, Inc., to amend its eligible telecommunications carrier study area. The order before you grants the request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-16501 MICHIGAN BELL TELEPHONE COMPANY, d/b/a AT&T
MICHIGAN, v B&S TELECOM, INC., QUICK COMMUNICATIONS,
INC., AND BRUCE YUILLE
Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves a complaint filed by AT&T Michigan against B&S Telecom, Inc., Quick

Communications, Inc., and Bruce Yuille. The order before you denies the petition for rehearing, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-16833 HANDSON BATTLE CREEK
(2-1-1 application)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves a request by HandsOn Battle Creek, Inc., to be designated the 2-1-1 community resource and referral answering point for Barry, Ionia, and Montcalm counties. The order before you grants the request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

4. U-16836 EUGENIA APAWU v AT&T MICHIGAN

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves a complaint filed against AT&T Michigan. The order before you dismisses the complaint with prejudice, at the complainant's request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

5. U-16858 INFOTELECOM, LLC v MICHIGAN BELL TELEPHONE
COMPANY, d/b/a AT&T MICHIGAN
(motion for stay)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which is a complaint filed by Infotelecom, LLC, against AT&T Michigan. The order before you stays the proceeding pending conclusion of bankruptcy proceedings or a successful petition for lift of stay, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

6. MINUTE ACTION FRONTIER NORTH INC. AND FRONTIER MIDSTATES INC.
(9-1-1 wireless, U-14000)

Commissioner Isiogu moved that the Commission adopt and issue minute dated November 10, 2011 finding that the attached Frontier North Inc. and Frontier Midstates Inc. Invoice Nos. MI9NGMTS9111105 and MI9NZMTS9111105, for the period of June 1, 2011 to August 31, 2011, are for wireless emergency service costs recoverable under 2007 PA 165, MCL 484.1408(4)(b), and consistent with the Commission's order dated June 29, 2004 in Case No. U-14000. The Commission approves the attached invoices in the amount of \$168,485.61 for reimbursement by the Michigan Department of Treasury, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The minute was adopted.

B. ELECTRIC

1. U-12505 CONSUMERS ENERGY COMPANY
(finance – securitization)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application by Consumers Energy Company to increase its bond principal and interest securitization surcharge from 1.25 mills per kilowatt-hour to 1.767 mills per kilowatt-hour from December 2011 through February 2012 and to 1.365 mills per kilowatt-hour from March 2012 through November 2012, and to increase the tax surcharge from 0.597 mills per kilowatt-hour to 0.761 mills per kilowatt-hour for the entire period. The order before you grants the company's request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-15806 THE DETROIT EDISON COMPANY
(solar renewable energy contracts)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application by The Detroit Edison Company for *ex parte* Commission review and approval of three contracts under which Detroit Edison-owned solar powered generating facilities will be engineered, procured and constructed starting in 2011. The order before you approves the contracts as in compliance with Public Act 295 of 2008 and provides assurance that the full costs of the contracts will be recoverable through the combined application of the transfer price schedule and application of the renewable energy surcharges, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-16033-R NORTHERN STATES POWER COMPANY –WISCONSIN
(’10 PSCR reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application filed by Northern States Power Company-Wisconsin requesting approval of its power supply cost recovery reconciliation proceeding for the 12-month period ended December 31, 2010. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

4. U-16041-R GREAT LAKES ENERGY COOPERATIVE
(’10 PSCR reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application by Great Lakes Energy Cooperative for a power supply cost recovery reconciliation proceeding and a times interest earned ratio ratemaking mechanism review – both for the 12-month period ended December 31, 2010. The order before you approves a settlement

agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

5. U-16046-R INDIANA MICHIGAN POWER COMPANY
(’10 PSCR reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application filed by Indiana Michigan Power Company requesting approval of its power supply cost recovery reconciliation proceeding for the 12-month period ended December 31, 2010. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

6. U-16055 CONSUMERS ENERGY COMPANY AND THE DETROIT
EDISON COMPANY
(depreciation)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application by Consumers Energy Company and The Detroit Edison Company requesting approval of revised depreciation rates for the Ludington Pumped Storage Plant. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

7. U-16313 NORTHERN STATES POWER-WISCONSIN
(Act 295)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application by

Northern States Power Company for authority to reconcile the expenses and revenues associated with its renewable energy plan for the period ended December 31, 2010. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

8. U-16317 UPPER PENINSULA POWER COMPANY
(‘10 REP)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application by Upper Peninsula Power Company for authority to reconcile the expenses and revenues associated with its renewable energy plan for the period ended December 31, 2010. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

9. U-16323 GREAT LAKES ENERGY COOPERATIVE
U-16327 MIDWEST ENERGY COOPERATIVE
U-16331 THE ONTONAGON COUNTY RURAL ELECTRIFICATION
ASSOCIATION
U-16335 PRESQUE ISLE ELECTRIC & GAS CO-OP
U-16339 THUMB ELECTRIC COOPERATIVE
U-16355 CLOVERLAND ELECTRIC COOPERATIVE
(EOP reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves a consolidated application by six electric co-operatives for approval of their energy optimization plan reconciliation proceedings for the 12-month period ended December 31, 2010. The order before you approves a settlement agreement resolving the issues in all six cases, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

10. U-16353 CLOVERLAND ELECTRIC COOPERATIVE
('10 REP reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application by Cloverland Electric Cooperative for authority to reconcile its renewable energy plan costs and revenues for the 12-month period ended December 31, 2010. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

11. U-16359 THE DETROIT EDISON COMPANY
(EOP reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application by The Detroit Edison Company for authority to reconcile its 2010 energy optimization plan expenses. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

12. U-16678 ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION
U-16681 CLOVERLAND ELECTRIC COOPERATIVE
U-16682 GREAT LAKES ENERGY COOPERATIVE
U-16683 MIDWEST ENERGY COOPERATIVE
U-16684 THE ONTONAGON COUNTY RURAL ELECTRIFICATION
ASSOCIATION
U-16685 PRESQUE ISLE ELECTRIC & GAS CO-OP
U-16686 THUMB ELECTRIC COOPERATIVE
U-16687 TRI-COUNTY ELECTRIC COOPERATIVE
(EOP biennial review)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves applications by eight

electric co-operatives seeking approval of their energy optimization plans. The order before you approves a settlement agreement resolving all issues in the cases, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

13. U-16761 CONSUMERS ENERGY COMPANY
(UETM)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application by Consumers Energy Company to reconcile its uncollectibles expense true-up mechanism for the period of November 13, 2009 through November 30, 2010. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

14. U-16841 DONNA VOUGHT v CONSUMERS ENERGY COMPANY

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves a complaint filed by Donna Vought against Consumers Energy Company. The order before you dismisses the complaint, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

15. U-16564 CONSUMERS ENERGY COMPANY
(CIM reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application by Consumers Energy Company requesting approval to reconcile costs incurred and revenues collected pursuant to the Commission's December 22, 2005 order in Case No. U-14148. The order before

you approves a settlement agreement resolving all issues in the case,
Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

C. GAS

1. U-16230 COMMISSION’S OWN MOTION
(vacuum well investigation – leave to appeal)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which is a docket opened by the Commission to consider the appropriate regulatory response to proposals by various producers of natural gas from the Antrim Shale Formation to operate their wells under a vacuum. The order before you grants a petition for leave to appeal filed by Chevron U.S.A., and denies the relief requested, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-16290 MICHIGAN CONSOLIDATED GAS COMPANY
(’10 EOP reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves a request by Michigan Consolidated Gas Company to reconcile its 2010 energy optimization plan revenues and expenses. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-16451 MICHIGAN CONSOLIDATED GAS COMPANY
(meter move out)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application by Michigan Consolidated Gas Company requesting approval of a meter removal and relocation program. The order before you grants the petition for clarification filed by the company, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

4. U-16850 WISCONSIN PUBLIC SERVICE CORPORATION
(’12 GCR plan)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application by Wisconsin Public Service Corporation for approval of its gas cost recovery plan and factors for the period ending October 31, 2012. The order before you approves a settlement agreement and authorizes the company to incorporate into its rates a uniform base gas cost recovery factor of \$0.57102 per therm, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

5. U-16874 SEMCO ENERGY GAS COMPANY
(natural gas transportation contracts)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves a request by SEMCO Energy Gas Company for approval of four natural gas transportation special contracts. The order before you grants the request, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

D. MOTOR CARRIER

1. T-1863 CHAMPION'S AUTO FERRY, INC.
(rate increase)

Commissioner Isiogu moved that the Commission adopt and issue order dated November 10, 2011 which involves an application by Champion's Auto Ferry, Inc. to increase its rates, fares, and charges. The order before you sets an evidentiary hearing for November 28, 2011, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

V. PUBLIC COMMENTS

There were no public comments.

Chairman Quackenbush announced that the next regularly scheduled Commission Meeting will be held on December 6, 2011.

Commissioner Isiogu moved that the Commission adjourn, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The motion was approved.

The meeting adjourned at 1:54 p.m.

Mary Jo Kunkle
Executive Secretary